

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2014 – SB 2003

February 22, 2016

SUMMARY OF ORIGINAL BILL: Reduces, from 80 to 75, the age a custodial parent or other custodial caregiver of a person with an intellectual disability who is on the waiting list for services must reach before the individual with intellectual disabilities is to be enrolled in the self-determination waiver or similarly capped medical assistance waiver within six months of the person's parent or caregiver attaining that age.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Public Chapter 430 of 2015 provided funding for a total of 151 enrollees but only 48 enrollees are expected in FY15-16. The proposed legislation will increase enrollment by 99 enrollees to a total of 147 enrollees at an estimated recurring cost of \$4,011,776 (\$1,404,804 state and \$2,606,972 federal). The Governor's proposed FY16-17 budget includes recurring funding of \$4,133,100 (\$1,447,288 state and \$2,685,812 federal) for 151 enrollees. The Department of Intellectual and Developmental Disabilities and the Bureau of TennCare can absorb the additional enrollees without an increased appropriation.

SUMMARY OF AMENDMENT (012630): Changes the effective date, from July 1, 2016, to upon becoming law.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Public Chapter 430 of the Public Acts of 2015 set the custodial care-giver age at 80. At the time of passage, it was estimated that 151 individuals would receive services based on the 293 individuals who were on the waiting list between the ages of 60 and 79 years old.
- As of January 21, 2016, 32 individuals have either enrolled or are in the process of enrolling due to the age of their caregiver. It is estimated that another 16 will enroll prior to June 30, 2016, resulting in a total of 48 enrollees in FY15-16 based on caregiver age.

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- Forty-eight enrollees represent 20.96 percent of those on the waiting list as of January 21, 2016, who have caregivers that are between 60 and 79 years of age (48 enrollees / 229 aged 60 – 79).
- It is assumed that decreasing the age of the caregivers to 75 will open enrollment to some individuals who are on the waiting list between the ages of 50 and 59. As of January 21, 2016, there are 374 individuals on the waiting list between the ages of 50 and 59; applying the same 20.96 percent enrollment rate will result in an additional 78 individuals being enrolled into the self-determination waiver.
- It is estimated that on average, 5.5 percent of individuals between the ages of 50-59 or a total of 21 additional individuals throughout the year will meet the proposed requirements and be enrolled in the self-determination waiver.
- It is estimated that the additional enrollment for self-determination waiver as a result of the proposed legislation will be 99 individuals (78 + 21).
- The total number of individuals moving from the waiting list to the waiver services is estimated to be approximately 147 (48 current enrollments + 99 additional enrollments).
- The self-determination waiver does not provide full residential services and has a total spending cap so there are transfers to the statewide waiver each year. Last year approximately 5.1 percent of the people transferred to the statewide waiver. Due to the population of the waiting list that will be impacted by the bill, it is estimated that a slightly higher percent (5.5%) will transfer resulting in eight individuals (147 enrollments x .055) transferring onto the statewide waiver. This waiver has an average cost of \$207.04 per person per day resulting in an estimated cost of \$604,557 (8 people x \$207.04 per day x 365 days) in FY16-17.
- The self-determination waiver costs approximately \$55.95 per day. Total costs for 139 individuals (147 – 8) to enroll in the self-determination is estimated to be \$2,838,623 (139 x \$55.95 x 365 days).
- The total cost for the 147 enrollees to receive waiver services next year is estimated to be \$3,443,180 (\$604,557 + \$2,838,623).
- These individuals will attain Medicaid eligibility by virtue of their enrollment in the self-determination waiver. According to the Bureau of TennCare, the average cost per person per year is \$3,868.
- The estimated expenditures for 147 enrollees is \$568,596 (147 enrollees x \$3,868).
- The total cost is estimated to be \$4,011,776 (\$3,443,180 + \$568,596).
- These expenditures will receive a federal match rate of 64.983 percent; therefore, the state portion is a rate of 35.017 percent.
- The total state cost is \$1,404,804 (\$4,011,776 x 0.35017) and the total federal cost is \$2,606,972 (\$4,011,776 x 0.64983).
- According to the Department of Intellectual and Developmental Disabilities and the Bureau of TennCare, recurring funding in the amount of \$4,133,100 (\$1,447,288 state and \$2,685,812) is included in the Governor's proposed FY16-17 budget to provide services to 151 enrollees. Since the estimated increase of 99 enrollees will only bring the total number of enrollees served to 147, services can be provided for these additional enrollees without an increased appropriation.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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